VZCZCXRO5628 OO RUEHCHI RUEHDT RUEHHM RUEHNH DE RUEHGO #1346/01 2610646 ZNY CCCCC ZZH O 180646Z SEP 06 FM AMEMBASSY RANGOON TO RUEHC/SECSTATE WASHDC IMMEDIATE 5110 INFO RUCNASE/ASEAN MEMBER COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 1115 RUEHBY/AMEMBASSY CANBERRA 9883 RUEHKA/AMEMBASSY DHAKA 4319 RUEHLO/AMEMBASSY LONDON 1779 RUEHNE/AMEMBASSY NEW DELHI 3511 RUEHUL/AMEMBASSY SEOUL 6982 RUEHTC/AMEMBASSY THE HAGUE 0548 RUEHKO/AMEMBASSY TOKYO 4599 RUEHCI/AMCONSUL CALCUTTA 0893 RUEHCN/AMCONSUL CHENGDU 0897 RUDKIA/AMCONSUL CHIANG MAI 0616 RUEATRS/DEPT OF TREASURY WASHDC RUEHGV/USMISSION GENEVA 2842 RHEHNSC/NSC WASHDC RUEKJCS/SECDEF WASHDC RUEKJCS/JOINT STAFF WASHDC RUCNDT/USMISSION USUN NEW YORK 0491 RUEHBS/USEU BRUSSELS

C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 001346

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STATE FOR EAP/MLS; PACOM FOR FPA, TREASURY FOR OASIA:AJEWELL

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SUBJECT: NGOS IN BURMA TRY TO STAY FREE OF INTERFERENCE

REF: A. RANGOON 887 ¶B. RANGOON 171 ¶C. RANGOON 154

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Classified By: Econoff TLManlowe for Reason 1.4 (b,d)

11. (SBU) Summary: Seven months after the GOB issued new guidelines designed to regulate international and local NGOs operating in Burma, no one is sure which rules apply to which NGOs, but most organizations continue to face increased scrutiny and restrictions on their activities. Lack of coordination among government and military officials fosters confusion, while restrictions on travel by foreign staff hinder oversight of assistance projects. Many of the INGOs prefer to live with ambiguity rather than receive clarification that would force their operations to cease. Independent local NGOs fear that the new guidelines will be used to halt their operations in favor of the regime's mass member organizations. End summary.

NGOs Try to Resist New Guidelines

12. (U) The Ministers of Planning, Home Affairs, and Foreign Affairs released the GOB's new quidelines for development activities conducted by UN agencies, NGOs, and INGOs on February 7 (ref B). The English language draft varied substantially from the tighter regulations on staff hiring, oversight and travel in the Burmese language version, creating additional confusion (ref C). According to representatives of both local and international NGOs, the GOB has already disseminated the stricter Burmese language version to local authorities, some of whom have begun to enforce the new restrictions. Among the most troublesome provisions are restrictions on hiring and giving a role to the regime's notorious mass-member organization, the Union Solidarity and Development Association (USDA).

13. (SBU) UN Resident Coordinator Charles Petrie and his staff have organized a committee -- with three representatives each from UN, international NGOs, and local NGOs -- to seek clarification on the guidelines. The Resident Coordinator represents these groups at meetings with GOB officials. On August 28, Onder Yucer, the Acting Resident Coordinator wrote to the Planning Minster, requesting confirmation that the less onerous English-language guidelines constitute the official version and asking that the GOB bring its regulations into line with internationally accepted principles on the provision of humanitarian assistance, which he included with the letter. Yucer also noted the UN's concern that some local authorities have enforced new regulations on local NGOs not mentioned in the English-language text. Yucer asked the GOB to develop a simplified registration process, to expedite travel authorizations for foreign staff of IOs and NGOs, and to refrain from giving outside parties any role in administering humanitarian assistance. The GOB has not yet responded to Yucer's letter.

## On-the-Ground Experiences Vary

14. (SBU) While GOB operating rules remain uncertain, NGOs and aid organizations try to remain flexible and find creative new ways to overcome arbitrary and unpredictable interference. According to Guy Stallworthy, Country Director of Population Services International, PSI operations have not suffered because the organization keeps a low profile and emphasizes its apolitical nature. PSI representatives in Mandalay told us that their local officials summoned them recently and read them the stricter Burmese version of the guidelines, but have not interfered with PSI's ongoing operations in that district. On the other hand, the Country

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Director of PACT, Stephen Petersen, told us that the USDA has begun to interfere in PACT's community empowerment activities, particularly those that encourage villagers to make decisions for their own community rather than waiting for authorities to dictate actions. Also, ZOA, an Dutch INGO, has been waiting over two years to get approval to begin operations in Burma.

- 15. (U) Local NGOs face much stricter scrutiny and harassment. In mid-August, authorities shut down the activities of the Free Funeral Service Society, an organization headed by famous Burmese actor Kyaw Thu, which provided free funeral services for the poor. FFSS had funded over 40,000 funerals since 2001. However, soon after Kyaw Thu attended a commemorative event organized by the 88 Generation Students, the regime announced that the USDA would take over the provision of funeral services.
- 16. (C) According to Dr. M. E. Mayet, president of the Muslim Central Trust Fund, the regime recently informed him that he must stop all of his charitable activities, as the MCTF is not properly registered. Mayet applied to renew the organization's registration in 2004, but never received a response, despite repeated inquiries. Other local NGO representatives have echoed this problem, saying that the official registration process is tortuously slow. Most continue to operate for years while awaiting renewal. FREDA, a widely respected environmental NGO, has been waiting for two years for its re-registration.
- 17. (SBU) Local NGO reps fear that the regime will use the new guidelines' registration requirements to suspend their activities, and have convened their own informal committee to discuss the issue and share information. Some local NGOs fear that the regime will try to drive existing local NGOs out of business, so that international donors will have no alternative in the future except to work with government-led mass member organizations, such as USDA and the Myanmar Women's Affairs Federation.

18. (C) Comment: UN agencies, INGOs and NGOs face constant regime resistance in delivering humanitarian aid to Burma's neediest populations, and all acknowledge that conditions have progressively gotten worse since 2004. Most INGOs and NGOs try to stay below the radar and prefer to negotiate with the devils they know (the all-powerful regional military commanders), some of whom welcome outside assistance since they are given no resources to address the severe needs in their regions. Ad hoc arrangements can change suddenly, such as when the military commander transfers. The uncertainties complicate planning and follow-up. However, many organizations prefer the ambiguity over clarifications that make it impossible to continue their operations. We should continue to insist that UN and other humanitarian agencies have unimpeded access to deliver assistance to the areas of greatest need. Under Secretary General Gambari should make meaningful progress in that regard a condition for any return visit. End comment. VILLAROSA